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SIPDIS

STATE FOR SA/INS
INL/C FOR ADAM SHANTI
EB/TPP/IPE FOR ALLISIN AREIAS

E.O. 12958: N/A

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SUBJECT: COLOMBO IPR TRAINING REQUEST

REF: A) COLOMBO 816 B) STATE 48295 C) 04 COLOMBO 1971

1. Per request ref B, Post is pleased to submit the following proposals for funding. Since the passage of a new IPR law in 2003, Sri Lanka has taken strong action to curb IPR violations in the past few months. The public and private sectors are working together to implement the IPR law. Econoff chairs a private sector IPR Working Group that meets with the police and government to support and encourage progress. There has been commendable progress, but further assistance will be needed to support government efforts and build capacity in all stakeholders.

2. Ref A outlines recent developments in IPR enforcement in Sri Lanka.

3. Proposed projects:

Proposal 1

The National Intellectual Property Office (NIPO) has proposed a two-part training for law enforcement officers.

--The first part of the proposal is to hold a 3-day training session for 100 Police and Customs Officials in Colombo. The first day of training will provide general training for both Customs and Police. The next two days will be specialized one-day training programs for Customs and Police. The training is to be conducted by US law enforcement agency officials, NIPO and other IPR personnel in Sri Lanka, and private sector representatives from IFPI and Microsoft. They can be trained in law, investigation and detection, product identification, prosecution etc. As part of this initiative, the US Embassy and the IPR working group will prepare a manual of product and copyright information to be distributed among participants and help establish a 24 hr help desk for consumers and customs at the NIPO. Estimated Cost is \$14,500.

Breakdown:

Cost of Conference hall hire for 100 participants for 3 days=\$2400
Local speakers = \$500
Seminar handouts = \$500
Cost of travel of 2 US speakers (economy class)=\$6200
Lodging and Per diem for 2 US Speakers for 5 days=\$1600
Printing of 100 copies of the manual: \$2000
Help Desk at NIPO (2 mobile phones and connections): \$500
Miscellaneous expenses = \$800
Total Cost=\$14,500

--The second part of the proposed customs and police training will be to select 3 officers each from Police and Customs to be trained as trainers following the first in-country training. They will be provided with more comprehensive training abroad to provide an exposure to the enforcement systems abroad. Total estimated cost: \$35,000 (Note: If outcomes of part I of this proposal can be achieved through the proposed USPTO/IIPI training planned in Colombo in FY 2005, then we can proceed directly to part 2 of the proposal.)

Cost of travel Colombo to Washington for 6 Sri Lankan officials on full fare Economy (\$3100)= \$18,600;
Lodging and per diem in Washington DC for 7 days (\$208/day)= \$9,000
A 2 day visit to a regional country with a good enforcement mechanism: \$5,000
Taxi fares = \$600
Visa fees = \$600
Miscellaneous expenses = \$1,200
Total cost = = \$35,000

Proposal 2

A private sector IPR working group chaired by Econoff and coordinated by the American Chamber of Commerce is providing assistance to various government agencies in implementing the new law. This working group would benefit from training on best practices, and tools and techniques for public and private sector responsibilities

and efforts in enforcement. The working group would also benefit from learning of a model for implementation.
Estimated Cost \$25,000

Cost of travel to 5 members to Washington DC or to a regional country= \$15,500
Per Diem for 7 days= \$7,140
Visa Fees= \$500
Taxi fares= \$500
Miscellaneous Expenses= \$1,360
Total Cost= \$25,000

14. Project Criteria:

15. Targeted to U.S. Priorities: Assisting the IPR regime meets a key MPP goal of supporting economic growth in Sri Lanka. Specifically, the two proposals will enable the US mission in Colombo to accomplish US priorities of encouraging strong protection of IPR through engagement with GSL and improving the enforcement regime. Strengthening law enforcement and legal system complements other US Government activities in Sri Lanka including customs enforcement related to Container Security Initiative (CSI) and Megaports program. Colombo port is a major transshipment hub and increased IPR enforcement will also curb counterfeit trade in the region. IPR was also a topic in all TIFA rounds and strong IPR protection will facilitate a future FTA with the United States. US companies in Sri Lanka experience significant market losses due to piracy and counterfeiting in music, movie, and software products and strong IPR protection will enable them to gain increased market access to this growing market.

16. Host government support: Sri Lanka is a party to major Intellectual Property Agreements. Sri Lanka and the US signed a Bilateral Agreement for the Protection of Intellectual Property Rights in 1991, and Sri Lanka is also a party to the Trade Related Intellectual Property Rights (TRIPS) Agreement in the World Trade Organization. A new intellectual property law came into force in November 2003. It meets both US-Sri Lanka bilateral IPR agreement and TRIPS obligations to a great extent. Infringement of Intellectual Property Rights (IPR) is a punishable offense under the law. With the passage of the new law, the government has taken some positive steps on IPR enforcement, including a major raid on a Malaysian-owned CD and DVD copying plant. The Police carried out additional raids of counterfeit CD/VCD stores and a duplicating plant, so far in 2005. The Commercial Crimes Unit of the Police Criminal Investigation Department, Colombo Fraud Bureau and local police stations carried out these raids. Police investigated and prosecuted a small company for selling counterfeit apparel using the Internet. Customs has also seized counterfeit consumer goods. These are all significant first steps towards establishing a strong IPR regime in Sri Lanka. Key Government of Sri Lanka officials in the National Intellectual Property Office, Department of Commerce, Police and Customs have shown support to promote IPR enforcement in Sri Lanka.

17. Key gaps in strategy to improve IPR enforcement: There is an acute need for training here. Both Police and Customs need training in IPR law, investigation and detection, product identification, prosecution etc. Right holders have complained that lack of IPR knowledge in the police is preventing speedier resolution of cases and hampering prosecution.

18. Metrics to measure progress: The following indicators will be used to judge the success of the projects. Number of police raids of stores; Availability of pirated and counterfeit goods in the market; increase in sales of original products represented by US companies; and the number of customs raids.

19. Project oversight: The IPR working group will coordinate the implementation of the projects. The US Embassy in Colombo will report the progress in IPR enforcement on a half yearly basis.

10. Post appreciates the opportunity to request vital assistance needed to enforce the new IPR law in Sri Lanka and protect right holders.

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